

Summary of TD's Progress in Managing Climate-related Risks and Opportunities¹

Business Area	Description
Governance	
Board oversight	Climate-related considerations are integrated into TD's Enterprise Risk Management (ERM) Framework. Our governance structure ensures alignment with the Framework and incorporates Board oversight through the Risk Committee (risk management) and the Corporate Governance Committee (reporting). TD's Board composition includes competency on sustainability topics. Management discussions are held with Committees and the full Board, as deemed necessary in order to keep the Board informed and to enable the Board to provide direction on evolving trends and best practices.
Management's role in assessing and managing climate-related risks and opportunities	Our management approach aligns with the TD's ERM Framework which includes climate-related risk. Our Chief Environment Officer is responsible for the management of climate-related risks and opportunities and is supported by a Senior Executive Environmental Champion. A Council comprised of business segment leads provides guidance on risk management, strategy, performance and future direction.
Strategy	
Potential impacts over the short, medium and long term	Our business strategy considers short, medium and long term impacts. We identified climate change as a global environmental and economic risk in 2009 and integrated consideration of impacts into our business strategy. We consider climate-related risks and opportunities in the context of physical impacts and transition risks that may directly or indirectly affect our business.
Potential impacts on businesses, strategy and financial planning	We consider climate-related risks and opportunities in the context of physical impacts and transition risks that may directly or indirectly affect our business, our employees, and our brand. In 2017 TD announced a target of \$100 billion, in total, in low-carbon lending, financing, asset management and other programs by 2030.
Organizational resiliency under different climate scenarios	We manage resilience of our physical assets through our building design and business operational procedures. We are also one of 16 global banks participating in a UNEP-FI led pilot study that is working to develop a consistent methodology for assessing climate-related risk in bank lending portfolios under a number of climate scenarios.
Risk Management	
Processes for identifying and assessing risks	Specific climate-related risks are identified and managed through TD's Environmental Management System which includes processes and procedures for risk identification, assessment, management, reporting and continuous improvement.
Processes for managing risks	Climate-related risks are integrated into TD's ERM Framework which provides a foundation for management of current and emerging risks.
Integration into enterprise risk management (ERM)	Climate-related risks are integrated into TD's ERM Framework.
Metrics and Targets	
Metrics for assessment of risks and opportunities	We have developed a range of climate-related metrics that encompass our finance and investing activities, our business operations, and our employee and community activities. Representative metrics include dollars of low carbon financing, annual GHG emissions and energy use avoided, and clean energy generated through TD's green bonds; sensitivity of lending portfolio to climate and water risk; contribution to growth of natural capital through our community and employee engagement activities. We report on these annually in our Corporate Responsibility Report.
Measurement of greenhouse gas emissions	TD has been carbon neutral since 2010. We undertake an annual greenhouse gas inventory that includes Scope 1, 2 and some elements of our Scope 3 emissions. Our results are independently assured and published in our annual Corporate Responsibility Report. We also measure water use, waste and paper, which may have indirect impacts on GHG emissions. In addition, TD is the only Canadian company currently participating in the CDP Supply Chain program which aims to identify GHG emissions in our supply chain, and to influence our suppliers to manage and report on their emissions. We report on these annually in our Corporate Responsibility Report.
Targets and performance	TD has set targets for greenhouse gas emissions and energy use from our business operations. We have also set targets for indirect operational impacts including water use, waste and paper. We report on these annually in our Corporate Responsibility Report. In 2017 TD announced a target of \$100 billion, in total, in low-carbon lending, financing, asset management and other programs by 2030.

¹ Additional details provided in TD's annual CDP Report.

